



Asian Bamboo

Q3

2009 Interim Report
July to September



Third quarter revenue was predominantly generated by selling bamboo trees. Bamboo trees are used as scaffolding and as input material for the production of furniture, flooring/plywood, and paper. As a result of our increasing plantation size, we are focusing our efforts on locating new distribution channels for our bamboo trees.

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ASIAN BAMBOO AT A GLANCE

OPERATIONAL DATA

<i>In '000 EUR unless otherwise stated</i>	Q3 2009	Q3 2008	Change	Q1-Q3 2009	Q1-Q3 2008	Change
Revenue	14,946	13,315	12%	40,724	31,467	29%
Cost of sales	(8,497)	(6,761)	26%	(21,683)	(15,252)	42%
Gross profit	6,449	6,554	-2%	19,041	16,215	17%
Gross profit margin	43%	49%		47%	52%	
Gain arising from changes in fair value less estimated point-of-sale costs of biological assets	-	-		13,020	-	
Finance net	1,369	174	687%	5,032	514	879%
Income tax	760	241	215%	(3,348)	(3,394)	-
Profit for the period	6,554	6,202	6%	29,197	10,822	170%
Adjusted net profit*	6,474	6,202	4%	19,432	14,518	34%
Adjusted net profit margin*	43%	47%		48%	46%	
EPS (EUR)	0.52[†]	0.49 [‡]	5%	2.30[§]	0.85 [‡]	171%
Adjusted net profit per share (EUR)*	0.51[†]	0.49 [‡]	4%	1.53[§]	1.14 [‡]	34%

* Adjusted for changes in the fair value of biological assets and taxes thereon

[†] Computed on the basis of 12,653,270 shares

[‡] Computed on the basis of 12,750,000 shares

[§] Computed on the basis of 12,708,320 shares

CASH FLOW

<i>In '000 EUR unless otherwise stated</i>	Q1-Q3 2009	Q1-Q3 2008	Change
Net cash generated from operating activities	17,886	17,751	1%
Cash flow used in investing activities	-30,400	-47,349	-36%
Net increase / (decrease) in cash and cash equivalents	-16,433	-29,598	-44%

BALANCE SHEET AND OTHER SELECTED DATA

<i>In '000 EUR unless otherwise stated</i>	30 September 2009	31 December 2008	Change
Biological assets	120,651	116,312	4%
Long-term prepayments	45,945	16,073	186%
Cash and cash equivalents	8,695	25,481	-66%
Total assets	191,289	170,632	12%
Current liabilities	1,843	1,465	26%
Non-current liabilities	13,480	13,932	-3%
Total equity	175,966	155,235	13%
Total liabilities and equity	191,289	170,632	12%
Size of mature plantations (ha)	22,229	18,367	21%
Size of immature plantations (ha)	7,400	8,262	-10%
Total size of plantations (ha)	29,629	26,629	11%
Employees	753	724	4%

OVERVIEW

CEO'S LETTER TO SHAREHOLDERS



'WE ARE PLANNING TO INCREASE OUR TOTAL PLANTATION SIZE BY 11,000 HA (37%) TO **40,629 HA** BEFORE THE END OF 2010, WHICH WE EXPECT WILL LEAD TO A FURTHER JUMP IN REVENUE AND ADJUSTED NET PROFIT IN 2010 AND 2011.'

Lin Zuojun

Dear fellow shareholders,

I am pleased to report that the strong performance was maintained in the third quarter with total revenue for the year up by EUR 9.2 million (29%), year-on-year, to EUR 40.7 million. Our total adjusted net profit for the year was up by EUR 4.9 million (34%), year-on-year, to EUR 19.4 million. The adjusted net profit margin in the first three quarters of the year was 48%, two percentage points higher than a year ago.

Due to the sharp increase in the value of the Company's shares in Q3, we have booked an unrealised cost for Share Appreciation Rights ('SARs', 'options') issued to certain key employees of EUR 1.5 million in the Q1-Q3 results. Excluding this non-cash item, the adjusted net profit for the period was up 44% year-on-year at EUR 20.9 million and the adjusted net profit margin was 51%.

The solid increase in revenue and adjusted net profit was primarily the result of the additional income derived from previously immature plantations starting to generate output. Compared to the end of last year, the total size of mature plantations generating an output was 3,862 ha (21%) larger at 22,229 ha.

In order to strengthen our financial position ahead of an accelerating growth phase next year when we plan to lease a total of 11,000 ha of mature plantations, we have raised a total of around EUR 35 million through bank debt (EUR 10 million) and a capital increase (EUR 25 million). The debt arrangement was entered into with DEG - Deutsche Investitions und Entwicklungsgesellschaft mbH ('DEG'), which is a member of KfW Bankengruppe - one of the largest European development financial institutions. The capital increase was completed on 22 October when we placed 1,275,000 shares at EUR 20 per share with institutional investors in a private placement.

We have announced the leasing of 3,000 ha of mature plantations in Sanming and have signed letters of intent ('LOIs') to lease an additional four mature plantations, located in Shaowu and Ganzhou, with a total plantation size of 7,000 ha. Furthermore, in line with our focus on bamboo flooring/plywood, we announced our intention to acquire a minority stake in San Feng Group ('San Feng'), a leading producer of bamboo templates used for housing construction. We expect to acquire a stake of between 30% and 49% in San Feng for less than EUR 5 million in the form of a capital increase which will enable San Feng to expand its production capacity. We expect the contracts for both the new plantations and the investment into San Feng to be finalised before the end of Q1 2010.

As San Feng is a major consumer of bamboo trees, this investment will add an important distribution channel to our business. We expect to sell around 20% of our bamboo tree harvest to San Feng next year. Together with around 20% of the harvest which we plan to sell to Shaowu Zhongzhu (paper mill), we have already secured 40% of our total sales of bamboo trees. Both San Feng and Shaowu will be purchasing bamboo trees throughout the year which means that the seasonality of our business will decrease.

We expect increasing revenue and profits in Q4 compared to Q3, thereby reaching our year-end guidance of revenue of more than EUR 55 million and an adjusted net profit margin of at least 45%. As announced, the Management Board and Supervisory Board will propose a dividend of EUR 30 cents for 2009, up 50% compared to last year, to be distributed in 2010.

As a result of our capital increase, we expect to sign LOIs for an additional 4,000 ha of mature plantations in the first half of next year and the final contracts are expected to be signed in the second half of the year. This, together with 7,000 ha of mature plantations which we expect to sign final contracts for in Q1 2010, will increase our total plantation size by 11,000 ha (37%) to 40,629 ha before the end of 2010, which we expect will lead to a further jump in revenue and adjusted net profit in 2010 and 2011.

We will give our 2010 guidance in late February 2010 together with the preliminary results for 2009.

I would like to thank you for your support of our Company and wish you all good health and success in the coming year.

Best regards,



LIN ZUOJUN
FOUNDER AND CEO

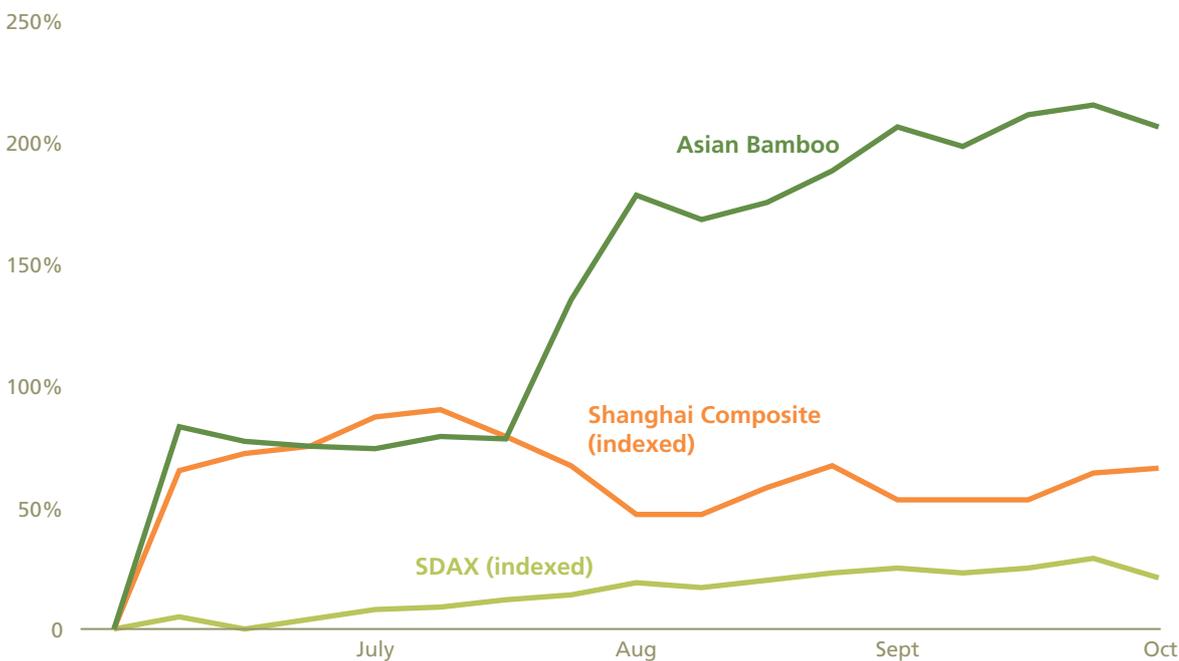
ASIAN BAMBOO'S SHARE PRICE

In the third quarter, our share price continued to rise and made significant progress towards achieving a fair valuation. Before and after the successful placement on 22 October, volumes increased significantly which we expect will further attract institutional shareholders to our company.

On 21 October, we announced the termination of our share buy back programme. We bought back 129,900 shares at an average price of EUR 11.80 for a total of EUR 1,533,028 this year.

SHARE PRICE AND RELEVANT INDEX COMPARISON CHART

July – Oct



MACRO-ECONOMIC OUTLOOK

In recent years, we have seen a change in consumer preferences towards sustainable materials. Bamboo wood has developed into a symbol of environmental sustainability and we continue to see bamboo being used in new applications, which has supported demand and pricing for our bamboo trees.

Similarly, organic vegetables have grown in popularity. As bamboo shoots are organically grown, delicious and nutritious, we have seen a sharp increase in demand in recent years. In addition, bamboo shoots, which have predominantly been eaten in the south-eastern parts of China, are gaining in popularity all across the country as a result of rising living standards and a growing interest in quality food.

We are also helped by the support given by the government. The central government is concerned with protecting natural resources, improving the ecological balance, boosting economic development in rural areas and increasing farmers' incomes. As a result, the government at various levels is supportive of the agriculture industry in general and the bamboo industry in particular through tax incentives and favourable policies. With the exception of exports, the positive momentum in the Chinese economy continues. Nearly all indicators are showing a rebound in economic activities and with rising asset prices there appears to be a rebound in confidence and risk appetite. Longer term, we believe that we will continue to benefit from the general rise in prices of agricultural products driven by strong Chinese and global demand.



TREE HARVESTING

After being harvested, the bamboo trees are generally collected by the buyer at the plantation. A bamboo tree weighs around 25-40 kilos and a truck load can contain as many as 250-400 trees. In Q3 we sold around 35% of our bamboo trees directly to end-user, such as Shaowu Zhongzhu - the paper mill, and around 65% to middlemen.

GROUP INTERIM
MANAGEMENT REPORT

OUR PLANTATIONS

<i>In ha</i>	30 September 2009	31 December 2008	Change
Mature plantation size	22,229	18,367	21%
Immature plantation size	7,400	8,262	-10%
Total plantation size	29,629	26,629	11%

In Q3 we leased 3,000 ha of new mature plantations (Sanming). In addition, we completed the re-arrangement of our early plantation leases from yearly payments to up-front payments for the entire lease period. Total investments amounted to EUR 9.5 million, of which EUR 4.4 million was paid for the re-arranging of old plantation leases and EUR 5.1 million for the initial payment on the Sanming lease. Year to date, we have invested a total of EUR 30.2 million – EUR 25.1 million on rearranging old plantation leases and EUR 5.1 million on Sanming.

Following our successful fund raising activities, we increased the target for our total plantation size to 40,629 ha by 2010 (original plan = 36,629 ha), up 37% compared to the current level of around 29,000 ha. We expect to lease 7,000 ha in Q1 2010 and 4,000 ha in the second half of 2010.

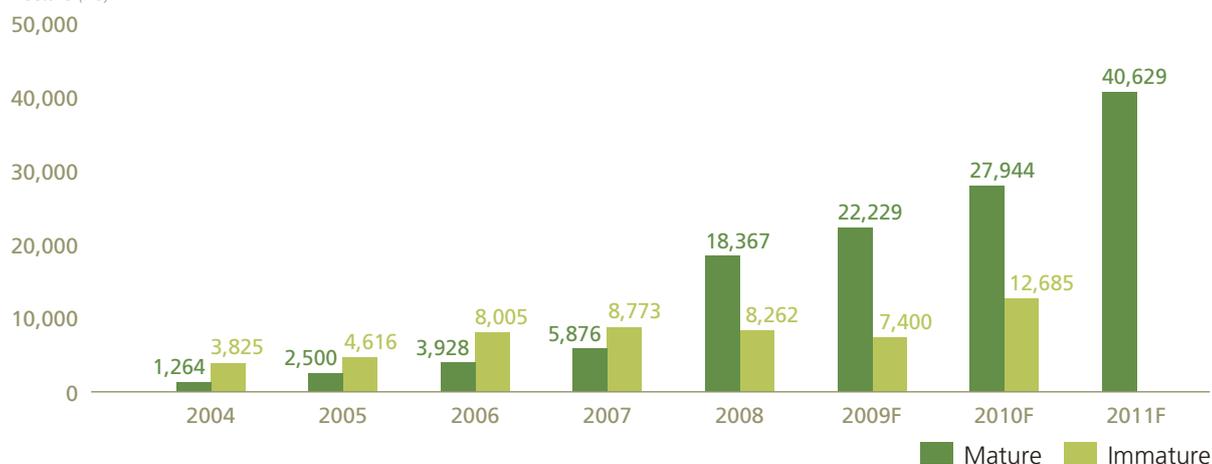
Longer term, it is our goal to reach a total plantation size of 70,000 ha.

<i>In ha</i>	Mature	Immature	Total	New leases*
31 December 2008	18,367	8,262	26,629	–
31 December 2009F	22,229	7,400	29,629	3,000
31 December 2010F	27,944	12,685	40,629	11,000
31 December 2011F	40,629	TBC	40,629	TBC

* New plantation leases generally generate limited or no output the first year of the lease as some preparation work needs to be carried out before harvesting can begin. From an accounting point of view, new leases are therefore generally classified as immature plantations for the first year.

PLANTATION SIZE

Hectare (Ha)



REVENUE AND RESULTS OF OPERATIONS

Q3

Revenue increased year-on-year by EUR 1.6 million (12%) to EUR 14.9 million (2008 = EUR 13.3 million). The relatively small increase in revenue in Q3 compared to a year ago was due to the fact that we booked sales of bamboo trees in the first half of the year, which we did not do last year, and decreasing sales of processed bamboo shoots to the Japanese market which contracted in size. We estimate that our market share of exports to the Japanese market remained unchanged.

In Q3, bamboo trees were our largest product category with sales of EUR 10.6 million, up 20% year-on-year, followed by processed bamboo shoots with a revenue of EUR 3 million, down 25% year-on-year, and dried bamboo shoots with sales of EUR 1.4 million, up 169% year-on-year. As a percentage of the product mix, processed bamboo shoots decreased from 30% to 20%, whereas bamboo trees and dried bamboo shoots increased their share of the product mix from 66% to 71% and 4% to 9%, respectively.

Cost of sales increased, year-on-year, by EUR 1.7 million (26%) to EUR 8.5 million (2008 = EUR 6.8 million). Compared to a year ago, the gross profit margin decreased by around six percentage points to 43% (2008 = 49%). The proportionally higher increase in cost of sales and the lower gross profit margin in Q3 compared to a year ago, was the result of the increase in long-term prepayments, as a result of the re-arrangement of our old leases, and the amortisation method used for our long-term prepayments.

As there were no gains in biological assets recorded in the Q3, the profit and the adjusted net profit are nearly identical at EUR 6.6 million and EUR 6.5 million, respectively (2008 = EUR 6.2 million). The adjusted net profit margin was 43%. Due to the sharp increase in the value of the Company's shares in Q3, we have booked an unrealised cost for Share Appreciation Rights ('SARs', 'options'), issued to certain key employees, of EUR 1.4 million in the Q3 results. Excluding this non-cash item, the adjusted net profit for the period was up 27%, year-on-year, at EUR 7.9 million and the adjusted net profit margin was 53%.

Q1-Q3

Year to date, our revenue increased by EUR 9.2 million (29%) to EUR 40.7 million (2008 = EUR 31.5 million). Processed bamboo shoots and bamboo trees were the two largest product categories with total sales of EUR 11.8 million and EUR 11.5 million, respectively. Spring bamboo shoots, winter bamboo shoots and dried bamboo shoots recorded sales of EUR 9.6 million, EUR 5 million and EUR 2.9 million, respectively.

Sales of all product categories rose during the period, with sales of dried bamboo shoots rising the most at 61% followed by winter bamboo shoots, spring bamboo shoots and bamboo trees rising by 40%, 38% and 30%, respectively. In line with our focus on higher margin products, in combination with the weaker Japanese market, sales of processed bamboo shoots increased the least at 14%. In terms of the product mix, processed bamboo shoots decreased its share from 33% a year ago to 29% this year.

Cost of sales increased, year-on-year, by EUR 6.4 million (42%) to EUR 21.7 million (2008 = EUR 15.3 million). Compared to a year ago, the gross profit margin decreased by five percentage points to 47% (2008 = 52%). The proportionally higher increase in cost of sales and the lower gross profit margin in Q1-Q3 compared to a year ago, was the result of the increase in long-term prepayments as a result of the re-arrangement of our old leases and the amortisation method used for our long-term prepayments.

The profit increased by EUR 18.4 million (170%) to EUR 29.2 million (2008=EUR 10.8 million) year-on-year. The main contributors to the sharp profit increase, compared to last year, were increases in:

- gross profits of EUR 2.8 million
- in the fair value of biological assets of EUR 13 million
- finance net by EUR 4.6 million

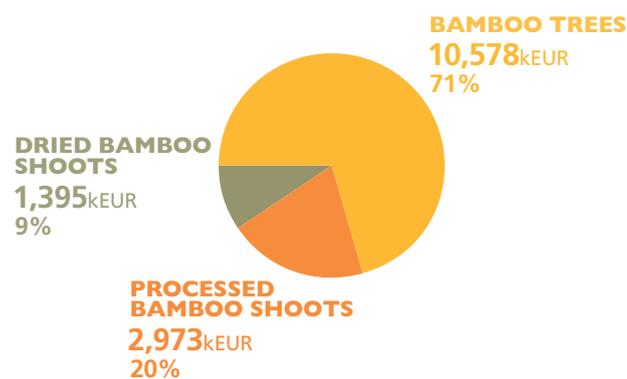
The adjusted net profit margin in the first three quarters of the year was 48%, which was two percentage points higher than a year ago. Due to the sharp increase in the value of the Company's shares in Q3, we have booked an unrealised cost for Share Appreciation Rights ('SARs', 'options'), issued to certain key employees, of EUR 1.5 million in the Q1-Q3 results. Excluding this non-cash item, the adjusted net profit for the period was up 44%, year-on-year, at EUR 20.9 million and the adjusted net profit margin was 51%.

REVENUE BREAKDOWN (In '000 EUR)

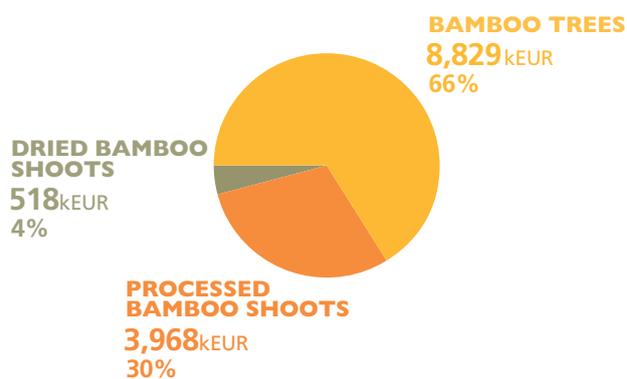
Category	Q3 2009	Q3 2008	Change	Q1-Q3 2009	Q1-Q3 2008	Change
Bamboo trees	10,578	8,829	19.8%	11,511	8,829	30.4%
Winter fresh bamboo shoots	–	–		4,993	3,565	40.1%
Spring fresh bamboo shoots	–	–		9,580	6,957	37.7%
Processed bamboo shoots	2,973	3,968	-25.1%	11,778	10,334	14.0%
Dried bamboo shoots	1,395	518	169.3%	2,862	1,782	60.6%
Total	14,946	13,315	12.2%	40,724	31,467	29.4%

In '000 EUR	Q3 2009	Q3 2008	Change	Q1-Q3 2009	Q1-Q3 2008	Change
Gross profit	6,449	6,554	-2%	19,041	16,215	17%
Gross profit margin	43%	49%		47%	52%	
Profit for the period	6,554	6,202	6%	29,197	10,822	170%
Adjusted net profit	6,474	6,202	4%	19,432	14,518	34%

Q3 PRODUCT MIX BREAKDOWN

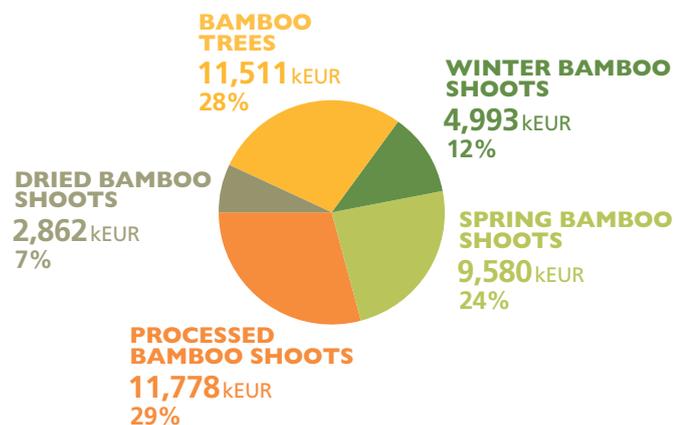


Q3 2009

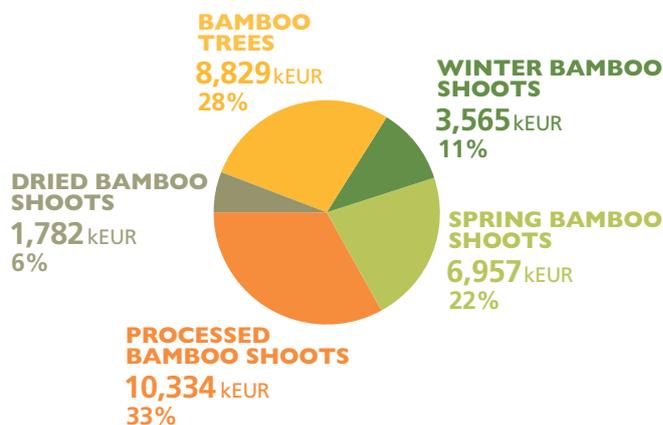


Q3 2008

Q1-Q3 PRODUCT MIX BREAKDOWN



Q1-Q3 2009



Q1-Q3 2008

NET WORTH AND GROUP FINANCIAL POSITION

<i>In '000 EUR</i>	30 September 2009	31 December 2008	Change
Total assets	191,289	170,632	12%
Cash and cash equivalents	8,695	25,481	-66%
Total equity	175,966	155,235	13%
Total liabilities	15,323	15,397	0%

In the first three quarters of the year, total assets increased by around EUR 20.7 million (12%) to EUR 191.3 million (2008 = EUR 170.6 million). In particular, long-term prepayments increased as we re-arranged old leasing terms from yearly payments to up-front payments.

Cash and cash equivalents decreased by EUR 16.8 million (66%) to EUR 8.7 million (2008 = EUR 25.5 million) as we deployed EUR 30.2 million into re-arranging old plantation leases and new plantation leases.

Net cash generated from operating activities was EUR 17.9 million (2008 = EUR 17.8 million).

The total cash outflow used in investing activities was EUR 30.4 million (2008 = EUR 47.3 million), of which around EUR 25.1 million was used to re-arrange old plantation leases and around EUR 5.1 million was paid for the Sanming lease (3,000 ha). We have now completed and fully booked the costs of re-arranging the old plantation leases.

We had no bank loans as of 30 September, as the funds from DEG had not been disbursed by the end of the quarter. We expect to receive the entire loan amount before the end of the year.

Overall, the Company's financial position remains very healthy as we are net cash and have strong operating cash flow.

INVESTMENTS

In the first three quarters of the year, the Company made payments on plantations leases of EUR 30.2 million. Around 25.1 million was used to re-arrange old plantation leases and

around EUR 5.1 million was paid for the Sanming lease (3,000 ha). We have now completed and fully booked the costs of re-arranging the old plantation leases.

EMPLOYEES

At the end of Q3 we had 753 employees (Q3 2008 = 669).

RISK MANAGEMENT

For more information on the risks the Company is exposed to and the Company's risk management policy, please refer to the Risk Report section in the Company's annual report.

There were no significant changes in opportunities and risks in the first three quarters of the year.

OUTLOOK

Our integrated strategy remains unchanged and for a deeper analysis of our operating environment and strategic direction, please refer to the Group Management Report on pages 24-35 in our annual report. In summary, our growth strategy consists of the following key elements:

- Increasing the size of our mature plantations, for details please refer to p. 8
- Deepening our involvement in the value added industries, for example through the proposed investment in San Feng
- Brand building and expansion of distribution channels
- Maximising our product mix

Following our two fund raising activities, the DEG loan and the capital increase, we are in a strong financial position to execute our growth strategy. We expect to finalise the plantation leases for 7,000 ha and the investment in San Feng in Q1 next year, which we believe will further solidify our growth prospects. In addition, we expect to lease an additional 4,000 ha of mature plantations in the second half of 2010.

We are pleased to confirm our year-end guidance of revenue of more than EUR 55 million and an adjusted net profit margin of at least 45%. In addition, the Management Board and the Supervisory Board will propose a dividend of EUR 30 cents for 2009, up 50% year-on-year, to be paid in 2010.



...zeichnung eines Darlehensvertrags zwischen der DEG und Asian B
...ing ceremony for a loan agreement between DEG and Asian Bam
...德国政府投资与...公司与亚洲...集团贷款协议签约仪式
...2009.9



LOAN AGREEMENT

On 16 September, our wholly-owned subsidiary, Fujian Xinrixian Group Co Ltd (Xinrixian), entered into a loan agreement with DEG – one of the largest European development financial institutions for long-term project and company financing. DEG has been engaged in China since 1985, having invested almost EUR 555 million in more than 80 companies.

INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

for the quarter ending 30 September 2009

<i>'000 EUR</i>	30 September 2009	31 December 2008
ASSETS		
Non-current assets		
Property, plant and equipment	2,733	3,008
Land use rights	312	334
Biological assets	120,651	116,312
Long-term prepayments	45,945	16,073
Deposits for leaseholds	1,354	1,426
Deferred taxes	998	998
	171,994	138,151
Current assets		
Inventories	2,238	634
Trade receivables	1,728	582
Other receivables and prepayments	6,634	5,784
Cash and cash equivalents	8,695	25,481
	19,296	32,481
Total assets	191,289	170,632
EQUITY AND LIABILITIES		
Share capital	12,750	12,750
Capital reserves	68,426	68,426
Statutory reserves	3,470	3,470
Own shares	(1,381)	–
Retained earnings	87,923	61,264
Foreign exchange difference	4,779	9,325
Total equity	175,966	155,235
Non-current liabilities		
Deferred tax liabilities	13,480	13,932
Current liabilities		
Trade payables	1,165	143
Other payables, accruals and provisions	445	787
Income tax payables	233	535
	1,843	1,465
Total liabilities	15,323	15,397
Total liabilities and equity	191,289	170,632

Note: Due to rounding up effects, the numbers may not entirely match

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME AND EXPENSES

for the period from 1 January to 30 September 2009

'000 EUR	Q3 2009	Q3 2008	Q1-Q3 2009	Q1-Q3 2008
Revenue	14,946	13,315	40,724	31,467
Cost of sales	(8,497)	(6,761)	(21,683)	(15,252)
Gross Profit	6,449	6,554	19,041	16,215
Gain arising from changes in fair value less estimated point-of-sale costs of biological assets	–	–	13,020	–
Other operating income	(1)	(5)	54	56
Selling and distribution expenses	(607)	(14)	(919)	(217)
Administrative expenses	(1,175)	(572)	(2,955)	(1,717)
Other operating expenses	(241)	(176)	(728)	(636)
Profit from operations	4,425	5,787	27,513	13,701
Finance income	2,204	586	5,948	1,177
Finance costs	(835)	(412)	(916)	(663)
Profit before income tax	5,794	5,961	32,545	14,215
Income tax	760	241	(3,348)	(3,394)
Profit for the period	6,554	6,202	29,197	10,821
Earnings per share in EUR	0.52[†]	0.49 [‡]	2.30[§]	0.85 [‡]

[†] Computed on the basis of 12,653,270 shares

[‡] Computed on the basis of 12,750,000 shares

[§] Computed on the basis of 12,708,320 shares

STATEMENT OF RECOGNISED CONSOLIDATED INCOME AND EXPENSES

for the period from 1 January to 30 September 2009

'000 EUR	Q3 2009	Q3 2008	Q1-Q3 2009	Q1-Q3 2008
Profit after tax	6,554	6,202	29,197	10,821
Foreign currency translation / Changes in value recognised directly in equity	(105)	9,225	(4,547)	7,654
Earnings after taxes and changes in value recognised in equity	6,449	15,427	24,650	18,475

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOW

for the period from 1 January to 30 September 2009

<i>'000 EUR</i>	Q1-Q3 2009	Q1-Q3 2008
Profit before income tax	32,545	14,215
Adjustments for:		
Amortisation of intangible assets	6	5
Depreciation of property, plant and equipment	108	159
Depreciation of long-term prepayments	482	–
Depreciation of biological assets	2,131	–
Gain / loss on disposal of property, plant and equipment	(1)	6
Interest income	(524)	(1,177)
Interest expense	35	663
Revaluation gain of biological assets	(13,020)	–
Operating cash flows before working capital changes	21,763	13,871
Working capital changes:		
(Increase)/decrease in:		
Inventories	(1,754)	(572)
Trade receivables	(1,259)	(576)
Other receivables and prepayments	(1,644)	(1,213)
Amounts due from related parties	–	42
Trade payables	1,196	60
Other payables and accruals	(607)	5,046
Amounts due to related parties	–	589
Cash generated from/(used in) operations	17,694	17,247
Interest received	524	1,177
Interest expense	(35)	(663)
Income tax paid	(298)	(10)
Net cash generated from operating activities	17,886	17,751
Cash flow from investing activities		
Purchase of biological assets / long-term prepayments	(30,160)	(45,955)
Purchase of land use rights	–	(5)
Purchase of property, plant and equipment	(275)	(789)
Deposits for leaseholds	–	(600)
Proceed from disposal of property, plant and equipment	35	–
Cash flow used in investing activities	(30,400)	(47,349)
Cash flow from financing activities		
Purchase own shares	(1,381)	–
Dividend paid to shareholders	(2,538)	–
Cash flow from financing activities	(3,919)	–
Net increase in cash and cash equivalents	(16,433)	(29,598)
Cash at beginning of year	25,481	68,564
Foreign exchange difference	(353)	(1,044)
Cash at end of period	8,695	37,922

Note: Due to rounding up effects, the numbers may not entirely match

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 30 September 2009

<i>'000 EUR</i>	Share capital	Capital reserves	Statutory reserves	Reserves for own shares	Retained earnings	Foreign exchange difference	Total equity
Balance as at 1 January 2009	12,750	68,426	3,470	–	61,264	9,325	155,235
Net profit for the period	–	–	–	–	29,197	–	29,197
Own shares	–	–	–	(1,381)	–	–	(1,381)
Dividend	–	–	–	–	(2,538)	–	(2,538)
Foreign currency translation reserve	–	–	–	–	–	(4,547)	(4,547)
Balance as at 30 September 2009	12,750	68,426	3,470	(1,381)	87,923	4,779	175,966

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period from 1 January to 30 September 2009

GENERAL

The interim consolidated financial statements for the period 1 January to 30 September 2009 comprise all subsidiaries of Asian Bamboo AG. These subsidiaries are located in China (PRC) except for the interim holding company, Hong Kong XRX Bamboo Investment Co., Ltd., Hong Kong.

BASIS OF PREPARATION

The interim consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as of the balance sheet date, and the additional requirements of German commercial law pursuant to sec. 315a (1) HGB ('Handelsgesetzbuch'; German Commercial Law Code). The interim consolidated financial statements comply with IFRS.

The preparation of financial statements in conformity with IFRS requires management to exercise judgment in the process of applying the Group's accounting policies and requires the use of accounting estimates and assumptions. The main areas in which estimates are used are the fair value of biological assets and deferred tax liabilities. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The financial statements are significantly affected by the valuation of biological assets and related long-term prepayments which account for approximately 97% of total assets.

With regard to the preparation of the interim consolidated financial statements in accordance with IAS 34 'Interim Financial Reporting', the Management Board is required to make estimates and judgments which influence the application of accounting policies within the Company and the reporting of assets and liabilities as well as income and expenses. Actual amounts can differ from these estimates.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in the interim consolidated financial statements generally correspond to the methods applied by Asian Bamboo AG in its consolidated financial statements for the year ending 31 December 2008. For further details reference is made to these consolidated financial statements, which can be found in the notes of the Company's annual report at www.asian-bamboo.de.

Income that may have been recorded during the reporting period for seasonal reasons, due to cyclical developments, or only occasionally, is not cut off in the interim consolidated financial statements. Expenses that are incurred irregularly during the reporting period have been cut off in those cases where they would also be cut off at year end.

We have conducted a simplified evaluation, using the assumptions from the year end 2008 evaluation done by Sallmanns, on the plantations which have become mature in 2009. A complete final valuation will be made at the end of the year by Sallmanns.

FUNCTIONAL AND PRESENTATION CURRENCY

The presentation currency is EUR. The management has determined the currency of the primary economic environment in which the Group operates to be Renminbi ('RMB'). The following exchange rates from RMB to EUR have been applied:

<i>exchange rates from RMB to EUR</i>	2009 RMB/EUR	2008 RMB/EUR
30 September	9.9958	10.8051
Average for the first nine months	9.3258	10.8012

OTHER

A tax rate of 25% is being used for the calculation of deferred tax on gains in the fair value less estimated point-of-sale costs of biological assets.

Hamburg, Germany, 6 November 2009

On behalf of the management



LIN ZUOJUN
Chairman



JIANG HAIYAN
COO



PETER SJOVALL
CFO

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group, and the interim group management report includes a fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Hamburg, Germany, 6 November 2009

On behalf of the management



LIN ZUOJUN
Chairman



JIANG HAIYAN
COO



PETER SJOVALL
CFO

FINANCIAL CALENDAR 2010

End of February

Publication of preliminary FY 2009 figures and guidance for 2010

End of March

Publication of 2009 Annual Report

Mid May

Publication of Q1 2010 Report

ASIAN BAMBOO AG

China

25th Floor, Xin-Tian-Di Plaza, No.157,
Wusi Road, Fuzhou 350003

Tel +86 (591) 8780 0688

Fax +86 (591) 8782 0062

Hong Kong

Unit 2209, 22/F, Wu Chung House,
213 Queen's Road East, Wanchai, Hong Kong

Tel +852 3973 7459

Fax +852 3013 7688

Germany

Stadthausbrücke 1-3, 20355 Hamburg

Tel +49 (0) 40 37644 798

Fax +49 (0) 40 37644 500

www.asian-bamboo.com